



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

February 20, 2008

PARTIES OF RECORD

Re: Case No. 2007-00199

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Virginia Gregg at 502/564-3940, Extension 407.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Virginia Gregg
Staff Attorney

DATE: February 20, 2008

RE: Informal Conference of January 30, 2008
Case No. 2007-00199
An Adjustment of Rates of South Shore Water Works Co.

On January 30, 2008, an informal conference in this case was held in the Commission's offices in Frankfort, Kentucky. Present were:

R. Benjamin Crittenden	South Shore Water Co.
Joseph G. Hannah	South Shore Water Co.
Virginia Gregg	Commission Staff
Jason Green	Commission Staff
Dennis Jones	Commission Staff
Jack Kaninberg	Commission Staff
Preston Robards	Commission Staff
Gerald Wuetcher	Commission Staff

David Spenard, Assistant Attorney General, participated in the conference by telephone. Commission Staff had requested the conference to discuss South Shore Water Co.'s ("South Shore") objections to the findings and recommendations contained in the Commission Staff's report on the proposed rate adjustment.

The participants reviewed the findings and recommendations of the Commission Staff and South Shore's objections to these findings. Prior to the conference, South Shore provided a list of additional adjustments to test year operations to reflect recent known and measurable changes in its operations that were not addressed in the Commission Staff report. (This list is attached.) These changes included a recent wage increase, increases in health insurance premiums, and pension coverage costs for an additional employee. Mr. Hannah provided South Shore's most recent invoice for health insurance, a copy of which is attached.

The participants also discussed at length the appropriate level of compensation for Mr. Hannah for purposes of determining South Shore's revenue requirement. Mr. Hannah asserted that, in light of his additional responsibilities, South Shore had avoided

Intra-Agency Memorandum
February 20, 2008
Page 2

retaining an additional water treatment plant operator and had effectively reduced its expenses. These factors, he further asserted, support a higher level of allowed compensation for ratemaking purposes than Commission Staff had recommended. To assess the level of savings, Commission Staff requested that South Shore supply information regarding the salaries of water treatment plant operators in South Shore's geographical region. Mr. Crittenden supplied this information, a copy of which is attached, following the conference.

The participants then agreed that a stipulation should be prepared for submission to the Commission. This stipulation would address South Shore's objections and additional evidence presented since the issuance of Commission Staff's report.

The conference then adjourned.

Attachments

ATTACHMENT 1

01/28/2008 12:08 6069323531

SOUTH SHORE WATER WO

PAGE 02

Operating Income	Staff	Adjust	Adjusted Staff
Total Water Sales	\$525,243.00		525243
Penalty	9902		9902
Non-Recurring	6580		6580
Total Op. Income	\$541,725.00		\$541,725.00
Operating Expenses			
Wages	138426	4153	142579
Officer Wages	57742	39114	96856
Health Insurance	59948	13455	73403
Pension	2883	1012	3895
Power Plant	45510		45510
Chemicals	13775		13775
M & S Expenses	41841		41841
Purchased Water	605		605
Accounting	2400		2400
Rental Expenses	16904		16904
Transportation Expense	10702		10702
Insurance Expenses	12828		12828
PSC Assessment	875		875
Depreciation	58169	3728	61897
Amortization Expenses	27291	1401	28692
Property Taxes	15035		15035
Payroll FICA taxes	15007	3310	18317
Unemployment Taxes	806		806
Workers Comp.	5253		5253
Total Expenses	\$526,000.00		\$592,173.00
Operating Income	\$15,725.00		(\$50,448.00)
Other Income & Deductions			
Jobbing Income	5176		5176
Interest Income	1236		1236
Other Income	383		383
Interest Expense	8747		8747
Total Other Inc. & Deductions	(\$1,951.00)		(\$1,951.00)
Inc (Loss) Before Inc. Taxes	\$13,775.00		(\$52,395.00)

Adjustments: See 11/8/07 SSWW response to Staff Report
& Attachments

dated 1/28/2008

**Known and Measurable Adjustments
To Staff Report**

	Recommended Staff Payroll	Effective 12/21/2007 3% COLA	Adjusted Payroll
Wages	\$138,426.00	\$142,579.00	\$142,579.00
Wages Officer	\$57,742.00	\$59,474.00	\$96,856.00 (a)
Total Payroll	\$196,168.00	\$202,053.00	\$239,435.00
Increase to Staff Recommended Payroll		239,435-196,168	\$43,267.00
Increase to Staff Recommended FICA		43,267x7.65%	\$3,310.00
Increase to Staff Recommended Pension			(b) \$1,012.00
Increase to Staff Recom. Health Ins.		73403-59,948	(c) \$13,455.00
Increase to Staff Dep. as filed 11/8/07			\$3,728.00
Rate Case Expense Legal paid 12/31/07		602.50/3	\$201.00
Est. additional Rate Case legal Expense		3,600/3	\$1,200.00
Total Adjusted Increase to Recommended Staff Report			\$66,173.00

- (a) See 11/8/07 SSWW Response to Staff Report
- (b) Pension qualified employees COLA x 1.75% effective 12/21/07 \$105.00
 New full time employee pension qualified 1/1/0 15596 x 1.75% \$272.00
- (c) Policy increase & spouse and new full time employee qualified 1/1/08
 See attachments

Revenue Requirement

Operating Expenses	\$592,173.00
Divided by: Operating Ratio	88%
Subtotal	\$672,924.00
Less: Operating Expenses	\$592,173.00
Net Operating Income After Income Taxes	\$80,751.00
Multiplied by Staff Gross-Up Factor PSC 2003-004	1.6118633
Net Operating Income Before Income Taxes	\$130,160.00
Add: Operating Expenses	\$592,173.00
Other Income & deductions	\$1,951.00
Revenue Requirement	\$724,284.00
Less Operating Revenue	\$541,725.00
Revenue Increase	\$182,559.00

ATTACHMENT 2

United HealthCare
 Dept. CH 10151
 600550151C0009
 Palatine IL 60055-0151



Page: 1 of 5

0126473PBC0060601

SOUTH SHORE WATER CO
 JOE HANNAH
 PO BOX 485
 SOUTH SHORE KY 41175-0000

Invoice No: C0012250211
 Invoice Date: Jan 12, 2008
 Customer No: 206639
 Bill Group: 1



Account Summary

Previous Balance	\$5,587.40
Payments (-)	\$-5,587.40
Bill Group Adjustments (+/-)	\$0.00
Late Payment Charge (+)	\$0.00
Current Charges (+)	
0012266598	\$6,116.90
Current Adjustments (+/-)	
0012266740	\$529.50
Total Balance Due	\$6,646.40

Please Detach and Return the Portion Below with Remittance

Customer Name	Customer Number	Payment Due Date	INV #
SOUTH SHORE WATER CO	206639	Feb 01, 2008	C0012250211

Return payment stub to:

United HealthCare Insurance Company
 Dept. CH 10151
 Palatine IL 60055-0151



AMOUNT DUE	\$6,646.40
AMOUNT PAID	\$ _____

United HealthCare
 Dept. CH 10151
 600550151C0009
 Palatine IL 60055-0151



0126473PBC0060602

SOUTH SHORE WATER CO
 JOE HANNAH
 PO BOX 485
 SOUTH SHORE KY 41175-0000

Invoice No: 0012266598
 Invoice Date: Jan 12, 2008
 Customer No: 206639
 Bill Group: 1
 Coverage Pd: 02/01-02/29/2008
 Due Date: Feb 01, 2008

Invoice Summary

Description	Employee Count	Total Volume (000's)	Rate	Net Amount
0280116-SOUTH SHORE WATER CO				
AD&D				
EMPLOYEE	6		\$0.00	\$3.60
CHDYC+				
EMPLOYEE	1		\$0.00	\$261.15
EMPLOYEE & FAMILY	4		\$0.00	\$4,896.41
EMPLOYEE & SPOUSE	1		\$0.00	\$916.14
Life				
EMPLOYEE	6	90	\$0.00	\$99.60
Subtotal - 0280116-SOUTH SHORE WATER CO	18	90	\$0.00	\$6,116.90
TOTAL	18	90	\$0.00	\$6,116.90

0126473PBC0060602

SOUTH SHORE WATER CO
 JOE HANNAH
 PO BOX 485
 SOUTH SHORE KY 41175-0000

Invoice No: 0012266598
 Invoice Date: Jan 12, 2008
 Customer No: 206639
 Bill Group: 1
 Coverage Pd: 02/01-02/29/2008
 Due Date: Feb 01, 2008

Invoice Detail

Policy No.	Name Plan	ID	Coverage	Volume(000's)	Charge Amount
0280116	DAVIS, LLOYD W AD&D Life CHOYC+	XXXXX0296-00	E E ESC	15	\$0.60 \$6.60 \$949.86
0280116	HALL, DONALD G AD&D Life CHOYC+	XXXXX9152-00	E E ESC	15	\$0.60 \$6.60 \$1,052.97
0280116	HANNAH, JOSEPH GEORGE AD&D Life CHOYC+	XXXXX7402-00	E E ESC	15	\$0.60 \$6.60 \$1,681.42
0280116	PORTER, GEORGE M AD&D Life CHOYC+	XXXXX0791-00	E E E	15	\$0.60 \$6.60 \$261.15
0280116	ROBBINS, CHERYL AD&D Life CHOYC+	XXXXX3660-00	E E ES	15	\$0.60 \$6.60 \$916.14
0280116	WARNOCK, STACI L AD&D Life CHOYC+	XXXXX9290-00	E E ESC	15	\$0.60 \$6.60 \$1,212.16
TOTAL					\$6,116.90

PLEASE VISIT EMPLOYER ESERVICES AT WWW.EMPLOYERESERVICES.COM TO perform real-time eligibility transactions, view and pay your invoices, request ID cards and more!

Employee and dependent information contained in this report is based on the most current information provided by the Employer, acting as Plan Sponsor and/or Plan Administrator (the organization which established the employee welfare plan for its employees) to the Company (a division of UnitedHealth Group contractually administering claims on behalf of the Employer). Changes to employees and dependent information are the responsibility of the Employer, acting as Plan Sponsor and/or Plan Administrator, and must be submitted to the Company on a timely basis. Please do not submit employee changes by noting them on this invoice. This address is used for payment purposes only and written instructions sent to this address will not be processed.

Please contact your Billing/Accounts Receivable Representative if you have any questions..
 Thank you.1-888-842-4571

This invoice covers eligibility charges from the following entities:
 United HealthCare Insurance Company

0126473PBC0060603

SOUTH SHORE WATER CO
JOE HANNAH
PO BOX 485
SOUTH SHORE KY 41175-0000

Invoice No: 0012266598
Invoice Date: Jan 12, 2008
Customer No: 206639
Bill Group: 1
Coverage Pd: 02/01-02/29/2008
Due Date: Feb 01, 2008



Invoice Detail

Policy No.	Name Plan	ID	Coverage	Volume(000's)	Charge Amount
-------------------	----------------------	-----------	-----------------	----------------------	----------------------

The amounts listed on this invoice are based, in part, on the age and/or gender of each covered employee and spouse (where applicable), and are provided solely for internal billing purposes. You are solely responsible for establishing the contribution practices for your employees. Federal, State, and local laws may prohibit you from charging different contribution amounts based on an employee's gender or other protected class status.

United HealthCare
 Dept. CH 10151
 600550151C0009
 Palatine IL 60055-0151



0126473PBC0060603

SOUTH SHORE WATER CO
 JOE HANNAH
 PO BOX 485
 SOUTH SHORE KY 41175-0000

Invoice No: 0012266740
 Invoice Date: Jan 12, 2008
 Customer No: 206639
 Bill Group: 1
 Coverage Pd: 01/01-01/31/2008
 Due Date: Feb 01, 2008

Adjustment Invoice Detail

Policy No.	Name	ID	Coverage	Volume(000's)	Status	Adjustment Amount
Charge Period	Plan					
0280116	POLLITT, STACI L	XXXXX9290-00				
12/01-12/31/2007	CHOICE-PLUS		EC		Chg	\$ -856.50
01/01-01/31/2008	CHOYC+		EC		Chg	\$ -951.01
0280116	PORTER, GEORGE M	XXXXX0791-00				
01/01-01/31/2008	AD&D		E		Add	\$0.60
01/01-01/31/2008	Life		E	15	Add	\$6.60
01/01-01/31/2008	CHOYC+		E		Add	\$261.15
0280116	WARNOCK, STACI L	XXXXX9290-00				
12/01-12/31/2007	CHOYC+		EC		Chg	\$856.50
01/01-01/31/2008	CHOYC+		ESC		Chg	\$1,212.16
TOTAL						\$529.50

PLEASE VISIT EMPLOYER ESERVICES AT WWW.EMPLOYERESERVICES.COM TO perform real-time eligibility transactions, view and pay your invoices, request ID cards and more!

Employee and dependent information contained in this report is based on the most current information provided by the Employer, acting as Plan Sponsor and/or Plan Administrator (the organization which established the employee welfare plan for its employees) to the Company (a division of UnitedHealth Group contractually administering claims on behalf of the Employer). Changes to employees and dependent information are the responsibility of the Employer, acting as Plan Sponsor and/or Plan Administrator, and must be submitted to the Company on a timely basis. Please do not submit employee changes by noting them on this invoice. This address is used for payment purposes only and written instructions sent to this address will not be processed.

Please contact your Billing/Accounts Receivable Representative if you have any questions. Thank you. 1-888-842-4571

This invoice covers eligibility charges from the following entities:
 United HealthCare Insurance Company

The amounts listed on this invoice are based, in part, on the age and/or gender of each covered employee and spouse (where applicable), and are provided solely for internal billing purposes. You are solely responsible for establishing the contribution practices for your employees. Federal, State, and local laws may prohibit you from charging different contribution amounts based on an employee's gender or other protected class status.

Name	Vac. Time	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac. Used	OT	Rate	Gross	Soc. Sec. 6.20%	Medicare 1.45%	U S Withh Tax	State Tax	Deduction	Deduction	Total Deduction	Net Pay			
George J Hannah 403-66-7402 Married 0 Exemption	11	11	11	11	11	11	10	7	40	32		21.36	854.40	1025.28	1879.68	116.54	27.26	293.07	103.63		540.50	1339.18		
Lisa L. Hannah 271-76-5942 Married 0 Exemption												8.44										4.35	48.70	
Denver Moore 266-26-3486 Single 0 Exemption												10.61												
Cheryl A Robbins 264-72-3660 Married 1 Exemption	80.5	8 hol	8.5	8	8	8			40.0		2	11.96	478.00	29.64	6.83	25.00	0.00	50.00		111.57	366.43			
Staci L. Wernock 401-02-9280 Married 0 Exemption	77	8 hol	5	8	8				37.0	3		9.72	388.80	24.11	5.64	23.00	16.45			69.20	319.60			
Donald Greg Hall 406-86-9162 Married 1 Exemption	150	8 hol	8	8	8				40.0		2	18.13	725.20	44.83	11.30	68.00	38.69	30.00		188.33	583.27			
Lloyd William Davis 264-66-0298 Married 1 Exemption	80	8 hol	8	8	8				40		8	11.15	448.00	133.84	8.41	38.00	27.09			109.45	470.39			
Mike Porter 406-11-0791 Single 0 Exemption	80	8 hol	8	8	8				40			7.50	300.00	18.80	4.35	29.00	11.23			83.18	236.82			
Gregory Hall 406-37-0147 Single 0 Exemption = Student												7.28												

Contract Labor

Gregory Hall 406-37-0147

Social 562.84
 Medicare 128.32
 Withholding 478.07
 S 1,159.33

Approval Number #00813322
 Approval Date #Jan. 9, 2008

Taxpayer ID# 610517066 #891
 PIn # 2835 #Mar 2008
 Phone # 1-800-555-3453 #1166.33
 #Jan. 9, 2008

4459.97	276.47	64.66	478.07	167.38	80.00	0.00	1094.59	3364.39
1094.59							1094.59	3364.39

Name	Vac.	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac	OT	Ratio	Gross	Soc.Sec. 6.20%	Medicare 1.45%	U S Withh Tax	State Tax	Deduction	Total Deduction	Total Deduction	Net Pay					
Time	12	12	12	11	11	7	7	40	Used	32																
George J Hannah 403-86-7402 Married O Exemption												21.36	854.40	1025.28	1879.68	116.54	27.26	293.07	103.63			540.50	1339.18	4.35	48.70	
Lisa L. Hannah 271-76-5942 Married O Exemption												10.81		69.05	3.29	0.77	0.00	0.28								
Denver Moore 286-28-3485 Single O Exemption																										
Cheryl A Robbline 284-72-3660 Married 1 Exemption	80.5	6.5	7.5	8.5	8.5	8						11.85	478.00	29.64	6.83	25.00	0.00	0.00								
Staci L Wernock 401-02-9290 Married O Exemption	74.5	8	8	8	8	5.5						9.72	388.80	24.11	5.64	23.00	18.45									
Donald Greg Hall 406-86-9162 Married 1 Exemption	150	8	8	8	8	8						18.13	725.20	44.88	10.52	61.00	35.78	30.00								
Lloyd William Davis 284-55-0285 Married 1 Exemption	40 x	x	x	x	x	x						11.15	448.00	27.85	6.47	22.00	19.55									
Mike Porter 406-14-0791 Single O Exemption	80	8	8	8	8	8						7.80	300.00	18.80	4.35	29.00	11.23									
Gregory Hall 408-37-0147 Single O Exemption = Student												7.28														
<p>Contract Labor</p> <p>Gregory Hall 408-37-0147</p> <p>Social 529.88 Medicare 123.88 Withholding 453.07 <u>\$ 1,106.83</u></p> <p>Approval Number #00811061 Approval Date Jan 16, 2008</p> <p>Taxpayer ID# 610517066 Pin # 2835 Phone # 4-800-555-3453</p> <p>#941 #Mar 2008 #1106.53 #Jan 16, 2008</p>																										
												4270.73	284.79	81.94	453.07	186.94	30.00	0.00	995.74	3273.99	895.74	3273.99				

Name	Vac.	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Reg	Vac	OT	Rate	Gross	Soc.Sec.	Medicare	U S With	State	Deduction	Deduction	Total	Net		
	Time								Used					6.20%	1.45%	Tax	Tax			Deduction	Pay		
George J Hannah 403-56-7402 Married 0 Exemption	11	11	11	11	11	11	10	7	40	32		21.36	854.40	1025.28	1879.68	116.54	27.26	293.07	103.63			540.50	1339.18
Lisa L. Hannah 271-76-5842 Married 0 Exemption									5			8.44										4.35	48.70
Denver Moore 286-28-3488 Single 0 Exemption												10.61										61.57	416.43
Cheryl A Robbins 284-72-3860 Married 1 Exemption	82	8.5	8.5	8.5	8.5	9			42.0	1		11.95	478.00	29.64	6.93	25.00	0.00	0.00				69.20	318.60
Stael L Wernock 401-02-9290 Married 0 Exemption	71.5	8	8	8	8	8			37.0	3		6.72	388.80	24.11	5.64	23.00	16.45					182.27	542.93
Donald Greg Hill 406-98-9152 Married 1 Exemption	150	8	8	8	8	8			40.0			18.13	725.20	44.98	10.82	61.00	35.79	30.00				75.67	370.33
Lloyd William Davis 284-65-0288 Married 1 Exemption	40	8	8	8	8	8			40			11.16	446.00	27.95	6.47	22.00	19.55					63.16	236.82
Mike Porter 406-1-0791 Single 0 Exemption	80	8	8	8	8	8			40			7.50	300.00	18.60	4.38	29.00	11.23						
Gregory Hill 406-37-0147 Single 0 Exemption = Student												7.28											

Contract Labor
 Gregory Hill 406-37-0147
 8 hr @ 7.28 = \$ 58.24

Social 529.58
 Medicare 123.88
 Withholding 453.07
 \$ 1,106.53

Approval Number #39261
 Approval Date #1103.63
 Taxpayer ID# 610517066
 PIN# 2695
 Phone # 1-800-555-3453

4270.73	294.79	61.94	453.07	186.84	30.00	0.00	886.74	3273.96
							886.74	3273.96

Name	Vac	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac	OT	Rate	Gross	Soc.Sec.	Medicare	U.S Withh.	State	Deduction	Deduction	Total	Net
	Time													6.20%	1.45%	Tax	Tax			Deduction	Pay
George J Hannah 403-86-7402 Married 0 Exemption	11	11	11	11	11	11	7	7	40	32	32	21.96	1879.68	116.64	27.26	293.07	103.63			540.50	1339.18
Lisa L. Hannah 271-76-5942 Married 0 Exemption												8.44	53.05	3.29	0.77	0.00	0.29			4.35	48.70
Denver Moore 286-28-3485 Single 0 Exemption												10.61									
Cheryl A Robbins 284-72-2880 Married 1 Exemption	84	8.5	8.5	8.5	8.5	8.5	8.5	8.5	42.5	1	1	11.95	478.00	29.64	6.93	28.00	0.00	0.00		61.57	416.43
Staci L Warrnack 401-02-9280 Married 0 Exemption	70.5	8	8	8	7	8			39.0	1	1	9.72	388.80	24.11	5.64	23.00	16.46			68.20	319.60
Donald Greg Hall 408-98-8162 Married 1 Exemption	150	8	8	8	8	8			40.0	4	4	18.13	834.00	51.71	12.09	77.00	42.17	30.00		212.97	621.03
Lloyd William Davis 264-55-0285 Married 1 Exemption	40	8	8	8	8	8			40	2	2	11.15	479.48	29.73	6.95	25.00	21.29			82.97	396.49
Mike Porter 408-11-0791 Single 0 Exemption	90	8	8	8	8	8			40			7.50	300.00	18.60	4.35	28.00	11.23			63.18	236.82
Gregory Hall 408-37-0147 Single 0 Exemption = Student												7.28									

4412.89	273.62	63.99	472.07	195.05	30.00	0.00	1034.74	3378.25
							1034.74	3378.25

Contract Labor
 Gregory Hall 408-37-0147
 8 hr @ 7.28 = \$ 58.24

Social
 Medicare
 Withholding
 Approval Number
 Approval Date
 Taxpayer ID# 610517086
 Pin # 2535
 Phone # 1-800-555-3453

547.24
 127.98
 472.07
 \$ 1,147.29

Name	Vac	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac	OT	Rate	Gross	Soc.Sec. 6.20%	Medicare 1.45%	U S Withh Tax	State Tax	Deduction	Deduction	Total Deduction	Net Pay		
George J Hannah 403-66-7402 Married O Exemption sa L Hannah 271-76-6942 Married O Exemption anver Moore 286-28-3486 Single O Exemption	11	11	11	11	11	11	7	7	40		29	20.74	829.60	902.19	1731.79	107.37	25.11	269.10	94.91			486.49	1245.30
Henry A Robbins 284-72-3680 Married 1 Exemption haci L Warnock 401-02-9280 Married O Exemption	0	8.5	8	8.5	8	8			41.0			11.60	464.00	28.77	6.73	26.00	0.00	0.00			60.50	403.50	
Donald Greg Hall 406-96-9162 Married 1 Exemption Loyd William Davie 284-66-0296 Married 1 Exemption	0	8	8	8	8	8			40.0			9.44	377.60	23.42	5.48	22.00	15.93			66.83	310.77		
dward W Holman 263-66-9788 Single O Exemption regory Hall 403-37-0147 Single O Exemption = Student	0	8	8	8	8	8			39.5		3	17.50	704.00	43.65	10.21	58.00	34.69	30.00			176.55	527.45	
onald E Furner 406-29-3139 Single 1 Exemption Child Support \$ 51.87 Wk If worked ach Gleason 406-31-6767 Single O Exemption like Porter 406-41-0791 Single O Exemption	0	8	8	8	8	8			40			10.63	433.20	48.75	29.88	6.99	27.00	22.01			85.88	395.07	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00	11.28				62.56	228.62	
Contract Labor												7.28	291.20	18.06	4.23	29.00							

Name	Vac. Time	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac	OT	Rate	Gross	Soc.Sec. 6.20%	Medicare 1.45%	US Withh Tax	State Tax	Deduction	Total Deduction	Net Pay																
orge J Hannah 403-56-7402 Married 0 Exemption a L Hannah 271-76-5942 Married 0 Exemption over Moore 286-28-3488 Single 0 Exemption		11	11	11	11	11	7	7	40		29	21.36	854.40	929.16	1793.56	110.58	25.86	272.04	98.01	0.00	0.34	508.49	1277.07	48.65												
anyl A Robbins 284-72-3560 Married 1 Exemption nel L Wainock 401-02-9290 Married 0 Exemption		0	0	0	0	0	0	0	40.0			11.96	479.00	29.64	6.93	26.00	0.00	0.00	0.00	0.00	0.00	62.57	415.43	319.54												
ald Greg Hall 406-96-9152 Married 1 Exemption yd William Davis 284-86-0296 Married 1 Exemption		0	0	0	0	0	0	0	40		4	18.13	728.20	44.96	10.52	61.00	35.95	30.00	23.57	30.00	0.00	182.33	542.87	420.01												
ard W Holman 283-55-9788 Single 0 Exemption igory Hall 403-37-0147 Single 0 Exemption = Student ald E Furner 406-29-3139 Single 1 Exemption Child Support \$ 51.97/wk (I worked th Gleason 406-31-5767 Single 0 Exemption e Porter 406-11-0791 Single 0 Exemption		8	8	8	8	8	8	8	40			7.28	300.00	18.60	4.35	29.00	11.29				63.24	236.76														
<p>Contract Labor</p> <p>igory Hall 403-37-0147</p> <p>ald Furner 406-29-3139</p> <p>by Porter</p> <p>ard Holman 283-56-0788</p> <p>ca Hannah</p>																																				
<p>Approval Number #39190</p> <p>Approval Date #2163.48</p> <p>Payroll ID# 610517086</p> <p>Pin # 2835</p> <p>Phone # 1-800-555-3453</p>																																				

Social 525.96
 Medicare 123.02
 Withholding 441.04
\$ 1,090.02

1079.76
 252.59
 831.14
2163.48

4241.53 282.99 61.51 441.04 185.87 30.00 0.00 991.20 3260.33
 991.20 3260.33

Name	Vac. Time	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Reg	Vac Used	OT	Rate	Gross	Soc.Sec. 6.20%	Medicare 1.45%	U.S Withh Tax	State Tax	Deduction	Deduction	Total Deduction	Net Pay			
Greg J Hannah 403-56-7402 Married 0 Exemption	11	11	11	11	11	11	7	7	40	29		20.74	829.60	902.19	1731.79	107.37	25.11	259.10	94.91	0.00	0.00	466.49	1245.30	
Greg L. Hannah 271-76-5842 Married 0 Exemption												8.19												
Greg L. Moore 286-28-3486 Single 0 Exemption												10.61												
Greg A Robbins 284-72-3660 Married 1 Exemption	0	8.5	8	8.5	8	8						11.60	928.00	57.54	13.46	0.00	0.00	0.00	0.00	0.00	0.00	71.00	857.00	
Greg L. Wernock 401-02-9290 Married 0 Exemption	0	8	8	8	8	8						9.44	377.60	23.42	5.48	22.00	15.93					66.83	310.77	
Greg Hall 406-96-9152 Married 1 Exemption	20	8	8	7.5	8	8						17.60	704.00	43.65	10.21	58.00	34.69	30.00				176.55	527.45	
Greg William Davis 264-56-0296 Married 1 Exemption	0	8	8	8	8	8						10.83	433.20	26.86	6.29	22.00	19.03					74.18	359.02	
Greg W. Holman 283-56-8788 Single 0 Exemption												7.28												
Greg Hall 403-37-0147 Single 0 Exemption - Student												7.28												
Greg E. Furner 406-28-3139 Single 1 Exemption												7.28												
Greg Support \$ 81.87 WK If worked h Gleason 406-31-5767 Single 0 Exemption		8	8	8	8	8						7.28	291.20	18.06	4.23	29.00	11.29					62.58	228.62	
Greg Porter 406-11-0791 Single 0 Exemption												7.28												

Contract Labor
 Social 553.80
 Medicare 128.55
 Withholding 390.10
\$ 1,073.46

Approval Number
 Approval Date
 Taxpayer ID# 610517086
 Pin # 2935
 Phone # 1-800-555-3453

4485.79	276.90	64.78	390.10	175.85	30.00	0.00	937.63	3528.16
							937.63	3528.16

Bonus

Christmas

Name Vac. Mon Tue Wed Thur Fri Sat Sun Reg Vac OT
Time Used

Rate

Gross Soc.Sec. Medicare U.S.Withh State Deduction Deduction Total Net
5.20% 1.45% Tax Tax Tax Deduction Pay

orge J Hannah 403-86-7402 Married 0 Exemption
a. L. Hannah 271-78-6942 Married 0 Exemption
Meredith Moore 286-28-3486 Married 0 Exemption
Single 0 Exemption

onyl A Robbins 284-72-2669 Married 1 Exemption
lci L Politt 401-02-9290 Single 1 Exemption

maid Greg Hall 406-96-9162 Married 1 Exemption
yrd William Davie 284-56-0295 Married 1 Exemption

ward W Holman 283-56-9788 Single 0 Exemption
borgy Hall 403-37-0147 Single 0 Exemption
maid E Furner 406-29-3139 Single 1 Exemption
Child Support \$ 51.87 wk. If worked
Sh Gleason 406-31-6767 Single 0 Exemption
re Porter 406-11-0791 Single 0 Exemption

Contract Labor

borgy Hall 403-37-0147
maid Furner 406-29-3139
Boy Porter
ward Holman 283-56-9788
ca Hannah

Taxpayer ID# 61057098
Pin # 2935

Social 2695.98
Medicare 616.59
Withholding 2124.38
\$ 5,376.94
Approval Number
Approval Date

21256.91	1317.99	308.29	2124.38	909.66	200.00	0.00	4860.32	16396.59
4172.64	256.72	60.51	429.10	182.70	80.00	0.00	1011.03	3161.61
4195.42	256.41	59.89	423.10	178.77	30.00	0.00	949.26	3166.16
4465.79	276.50	64.78	390.10	175.85	30.00	0.00	937.63	3528.16
4241.53	262.98	61.51	441.04	186.67	30.00	0.00	981.20	3260.33
4241.53	262.98	61.51	441.04	186.67	30.00	0.00	981.20	3260.33
21256.91	1317.99	308.29	2124.38	909.66	200.00	0.00	4860.32	16396.59

Total for December 21256.91 1317.99 308.29 2124.38 909.66 200.00 0.00 4860.32 16396.59

Gregg, Virginia W (PSC)

From: Crittenden, R. Ben [BCrittenden@stites.com]
Sent: Thursday, January 31, 2008 10:19 AM
To: Gregg, Virginia W (PSC); Wuetcher, Jerry (PSC)
Cc: Spenard, David (KYOAG)
Subject: South Shore Water Works - Operator Wages

Virginia and Jerry,

Below is a list of the wages being paid to operators with less than one year of service at other water companies. In compiling the list, we attempted to focus on companies located in the same region, with whom South Shore might have to compete in the labor market. All wages listed below are hourly.

Greenup Water - \$14.70 (100% of health insurance paid by Greenup Water)
Portsmouth (Ohio) Water - \$16.41
Grayson Water - \$19.38
Vanceburg Water - \$19.76

Please call me if you require any additional information from South Shore.

Ben

R. Benjamin Crittenden
Stites & Harbison, PLLC
421 West Main Street
P.O. Box 634
Frankfort, KY 40602-0634
Direct Dial: (502) 209-1216
Fax: (502) 223-4388
bcrittenden@stites.com

NOTICE: This message is intended only for the addressee and may contain information that is privileged, confidential and/or attorney work product. If you are not the intended recipient, do not read, copy, retain or disseminate this message or any attachment. If you have received this message in error, please call the sender immediately at (502) 587-3400 and delete all copies of the message and any attachment. Neither the transmission of this message or any attachment, nor any error in transmission or misdelivery shall constitute waiver of any applicable legal privilege.

2/4/2008